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UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA

IN THE MATTER OF THE TAX)
LIABILITIES OF:)
JOHN DOES, United States person(s), who)
directly or indirectly had authority over any)
combination of accounts held with Payward)
Ventures Inc., d/b/a Kraken or Kraken.com, or)
its predecessors, subsidiaries, divisions, or)
affiliates (collectively, “Kraken”), with at)
least the equivalent of \$20,000 in value of)
transactions (regardless of type) in)
cryptocurrency in any one year, for the period)
January 1, 2016 through December 31, 2020.)

Civil Number: 3:21-cv-02201-JCS

**ADMINISTRATIVE MOTION TO
CONSIDER WHETHER CASES
SHOULD BE RELATED PURSUANT TO
CIVIL L.R. 3-12**

The United States of America, files this Administrative Motion to Consider Whether Cases Should be Related Pursuant to Civil. L.R. 3-12 to consider whether the subsequently filed case of *United States v. Payward Ventures, Inc.*, Case No. 3:23-mc-80029-LB (the “Enforcement case”) should be related to this now closed case (the “JDS case”).

The United States commenced an ex parte proceeding for leave of court to serve a summons upon Payward Ventures Inc. & Subsidiaries in furtherance of the IRS’s investigation into the identity and correct federal income tax liability of U.S. persons who conducted transactions in cryptocurrency for the years ended December 31, 2016, 2017, 2018, 2019, and 2020. On May 5, 2021, the Court granted leave and the Internal Revenue Service subsequently issued and served the summons. *In the Matter of the Tax Liabilities of John Does*, Docket No. 9, Case No. 3:21-cv-02201-JCS (N.D. Ca. May

5, 2021). Payward Ventures Inc. & Subsidiaries has failed to comply with the summons and the United States has instituted an action to enforce the summons. *United States v. Payward Ventures, Inc.*, Case No. 3:23-mc-80029-LB (N.D. Ca.).

Civil L.R. 3-12 provides that “An action is related to another when: (1) The actions concern substantially the same parties, property, transaction or event; and (2) It appears likely that there will be an unduly burdensome duplication of labor and expense or conflicting results if the cases are conducted before different Judges.” Although both actions concern substantially the same parties, it is unlikely that there would be an unduly burdensome duplication of labor or expense (the Court issued its Order granting leave to serve the John Does summons just 36 days after the case was filed) or that there would be conflicting results if the cases are conducted before different Judges. However, the factual showing the United States made in support of issuance of the John Does summons is very similar to the factual showing it has made in support of enforcement of the John Doe summons.

For these reasons, the United States requests that the Court consider whether the Enforcement Case and the JDS case should be related.

Dated this 13th day of February, 2023.

DAVID A. HUBBERT
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/s/ Amy Matchison
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